

Impact Fees

Review of San Marcos Projects



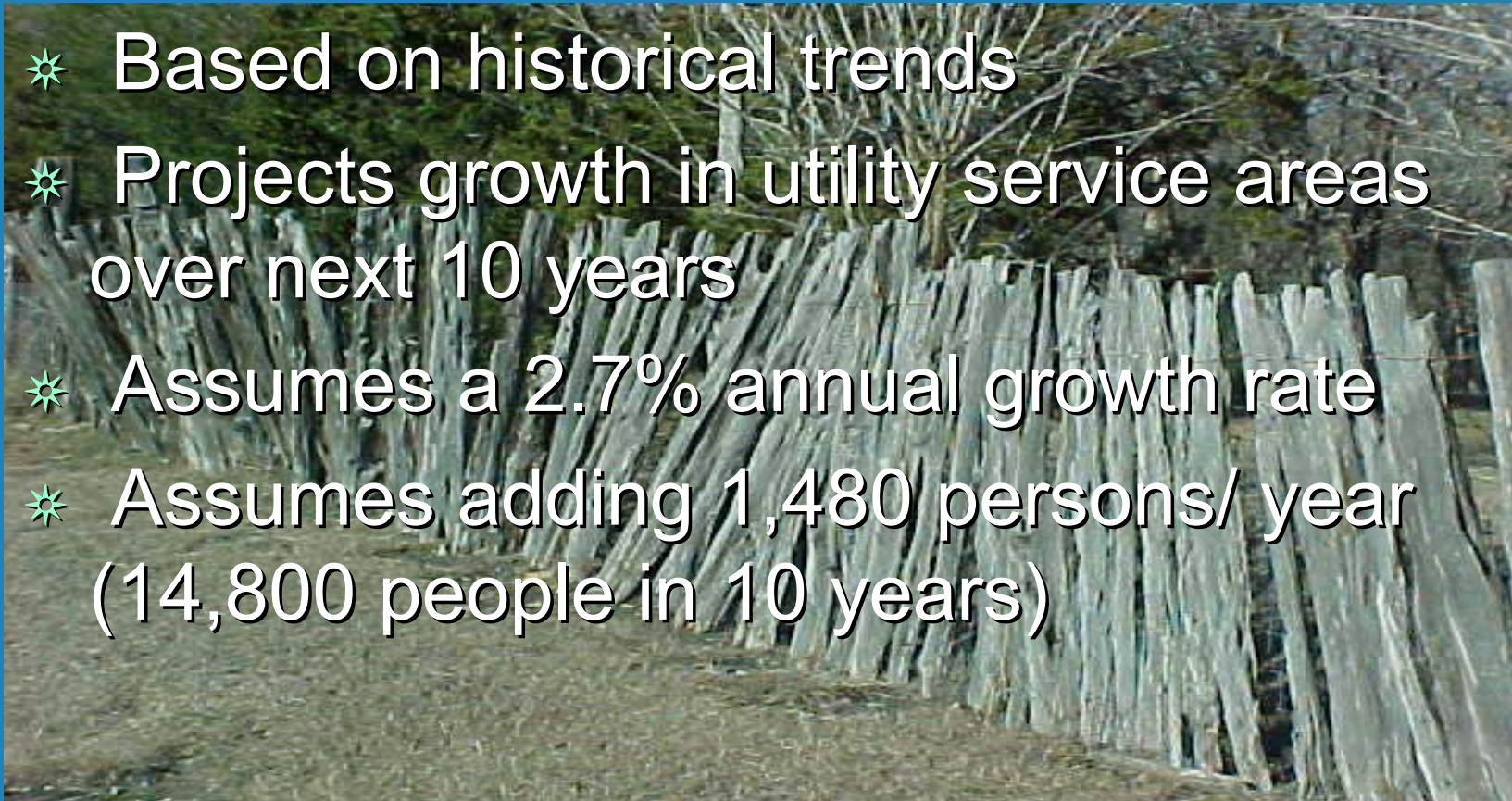
What Are Impact Fees?



- ✧ Impact fees are charged to new development to pay the cost of water and wastewater improvements needed to serve the project.

Land Use Assumptions

- ✧ Based on historical trends
- ✧ Projects growth in utility service areas over next 10 years
- ✧ Assumes a 2.7% annual growth rate
- ✧ Assumes adding 1,480 persons/ year (14,800 people in 10 years)



Past and Present Fees

	1990- 2002	New (and pre-1990)
<i>Water</i>	\$363/ SU	\$1,100/ SU
<i>Wastewater</i>	\$527/ SU	\$900/ SU
<i>Total</i>	\$890/ SU	\$2,000/ SU

The new Impact Fees recover....

- * 22% of total cost per service unit for water facilities
- * 21% of total cost per service unit for wastewater facilities
- * The remaining costs will be paid by other sources (e.g. revenue bonds)

Financial History



- ☀ Water-Wastewater projects initiated since 1995 incurred debt of \$55.77 million
- ☀ Many projects serve existing needs AND new growth

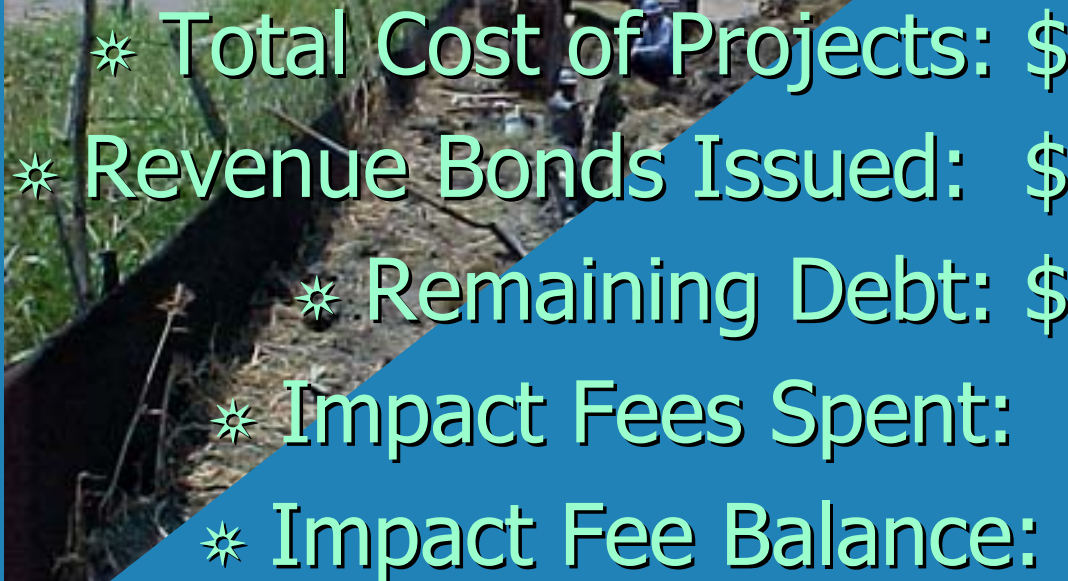
Examples of past projects

- ✧ Surface Water Plant
- ✧ Wastewater Plant
- ✧ Elim Water System purchase
- ✧ Water distribution system improvements
- ✧ Wastewater projects

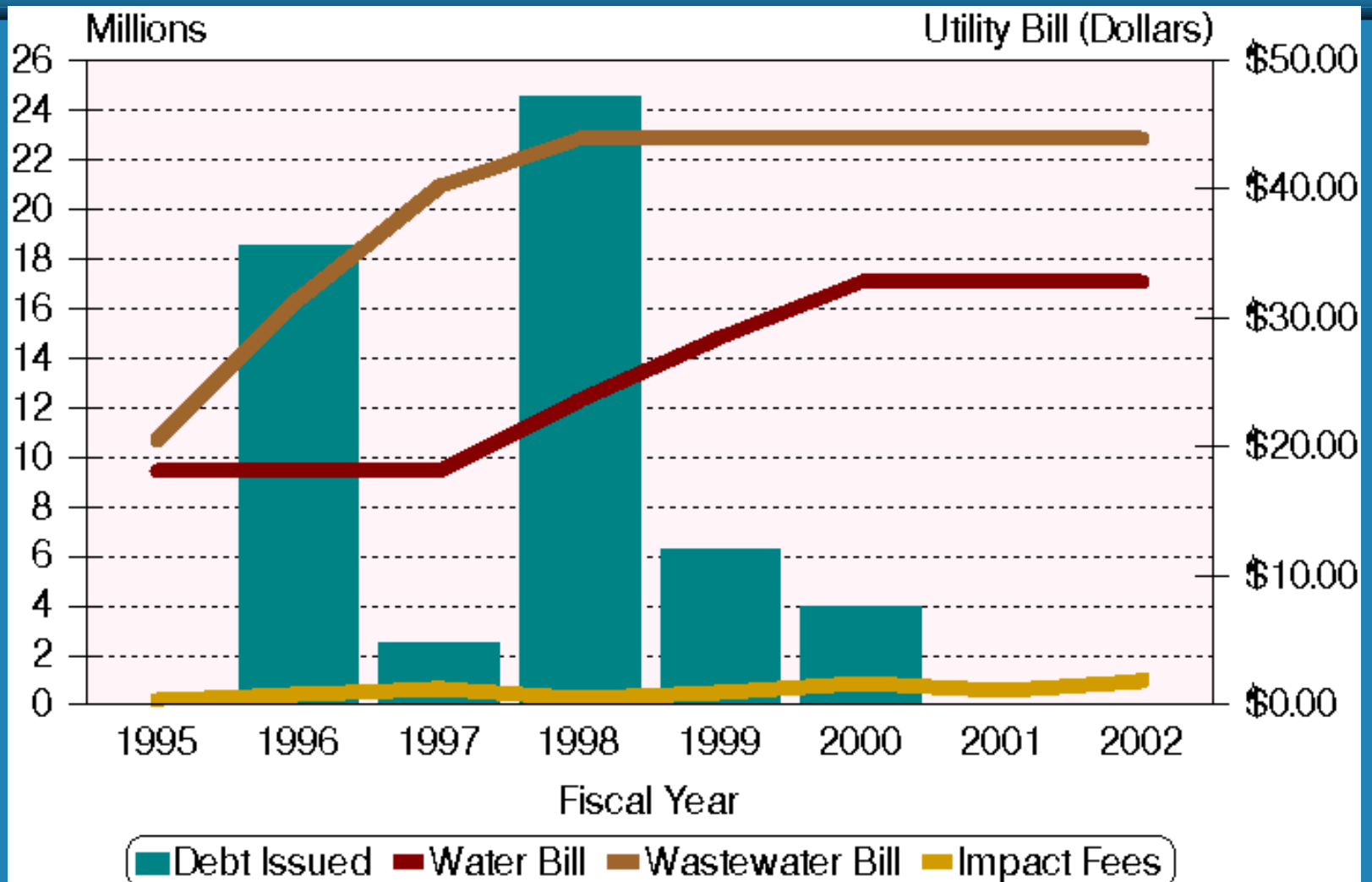


How we have paid for projects

Since 1995:

- 
- * Total Cost of Projects: \$ 57,983,509
 - * Revenue Bonds Issued: \$ 55,770,000
 - * Remaining Debt: \$ 52,300,000
 - * Impact Fees Spent: \$ 2,213,509
 - * Impact Fee Balance: \$ 1,471,366

Who Pays the Cost









TML Water Bill Comparisons

10,000 gallons-residential

✧	Southlake	\$ 50.16
✧	League City	\$ 43.03
✧	Cedar Hill	\$ 42.91
✧	Keller	\$ 41.45
✧	Cedar Park	\$ 39.93
✧	San Marcos	\$ 39.24
✧	Seguin	\$ 27.00
✧	San Antonio	\$ 21.65

TML Wastewater Bill Comparisons

10,000 gallons-residential

 Orange	\$ 56.70
 Cedar Hill	\$ 46.00
 Weatherford	\$ 45.16
 San Marcos	\$ 43.96
 Desoto	\$ 39.81
 Seguin:	\$ 34.00
 San Antonio:	\$ 18.68
 Pharr:	\$ 6.10

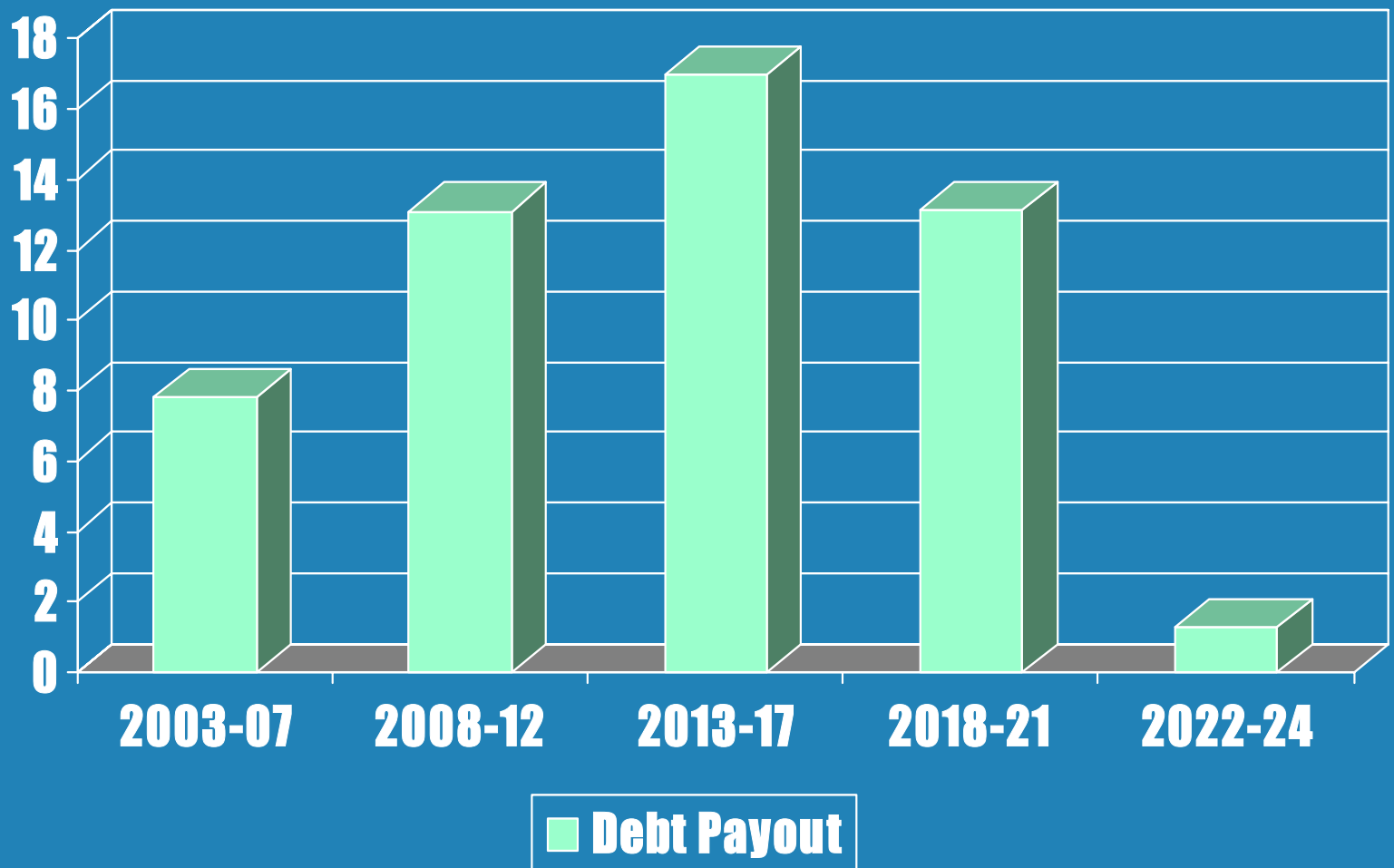


What our customers pay for

Water-wastewater utility bill:

- * 54% pays for operations & maintenance of the W-WW systems
- * 10% pays the franchise fee
- * 36% pays for long-term debt

Retiring the Debt (Principal)



02/03 CIP Water Projects

Project

Existing
Need

New
Growth

Water Supply Study



Alamo Tank Demolition



Hwy 123 Water Line



02/03 CIP Water Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
Wonder World Drive Utility Relocation	✓	
Davis Lane 12"	✓	✓
Surface Water Plant rerating	✓	✓

02/03 CIP Water Projects

Project

Existing
Need

New
Growth

**Camino Real
Transmission Line**



**McCarty Water
System Interconnect**



**Westover Water
Improvements**



02/03 CIP Water Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
Clovis Barker water line relocation	✓	
Craddock 12" water line replacement	✓	
Southwest Annexation fire hydrant rehab	✓	

02/03 CIP Water Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
Water Impact Fee Study		✓
Water rate study	✓	✓
Water SCADA system	✓	
Main Extensions	✓	✓

02/03 CIP Water Projects

Project

Existing Need

New Growth

Water system pressure
monitoring stations



Rio Vista water system
improvements



Water system security



02/03 CIP Wastewater Projects

Project

Existing
Need

New
Growth

**Castle Forest relief
sewer**



**Riverside MKT
interceptor**



**Eastside III/ Willow
Creek interceptor**



Rio Vista WW system



02/03 CIP Wastewater Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
WWTP odor control	✓	
WWTP/ Main Lift Station	✓	
Wastewater Master Plan	✓	✓

02/03 CIP Wastewater Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
Wonder World Drive sewer relocation	✓	
Craddock sewer line	✓	
IH 35/ Fairlawn line and lift station	✓	✓

02/03 CIP Wastewater Projects

<u>Project</u>	<u>Existing Need</u>	<u>New Growth</u>
MKT RR 8" Rehab	✓	
WW SCADA system	✓	
WW impact fee study		✓
Wastewater rate study	✓	✓

02/03 CIP Wastewater Projects

Project

Existing Need

New Growth

WW system security
vulnerability study



Main improvements/
replacements



WW Lift station
improvements



Overview of Projects

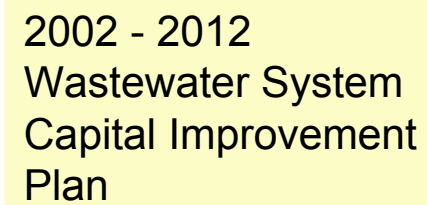




Impact Fees Provide For:

- ✧ Pro-active installation of water & wastewater utility “backbone” in preferred growth area.
- ✧ Accessibility of water and wastewater service to a large number of properties.
- ✧ Reduction in line extensions required by developer.

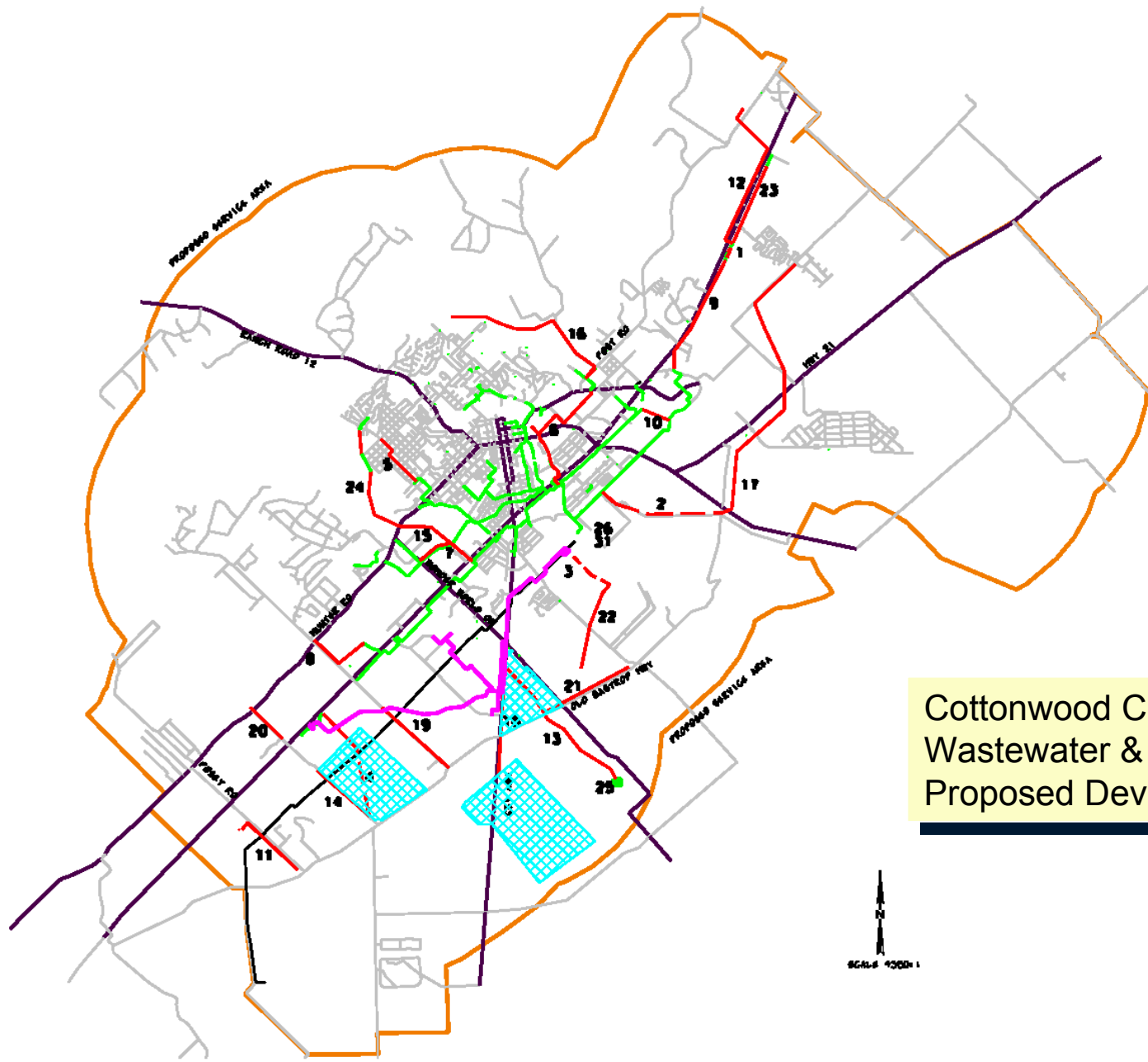




Example Project : Cottonwood Creek Interceptor



- ✧ Project identified in 1990 Impact Fee Analysis.
- ✧ Opens large area of southeast San Marcos ETJ to wastewater service.
- ✧ Has stimulated development of three large mixed use projects.
- ✧ Total Cost: \$5.6 Million (\$3.9 M Bond, \$1.7 M Impact Fee)



Cottonwood Creek Wastewater & Proposed Development



Where Do We Go From Here?

- ✧ The importance of impact fees
 - Availability of infrastructure and capacity
 - Affordability
 - Equity--who pays?